

AMENDED IN ASSEMBLY MARCH 28, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1773

Introduced by Assembly Member Obernolte

February 3, 2016

An act to amend Section 2830 of the Public Utilities Code, relating to renewable energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1773, as amended, Obernolte. Local government renewable energy self-generation program.

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities. Existing law authorizes a local governmental entity, except a joint powers authority, to receive a bill credit to a designated benefiting account, for electricity exported to the electrical grid by an eligible renewable generating facility and requires the commission to adopt a rate tariff for the benefiting account.

This bill would include as a local governmental entity for this purpose a joint powers ~~authority~~ *authority, except as specified*.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime. Because the provisions of this bill would require an order or other action of the commission to implement and a violation of that order or action would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2830 of the Public Utilities Code is
2 amended to read:

3 2830. (a) As used in this section, the following terms have the
4 following meanings:

5 (1) “Benefiting account” means an electricity account, or more
6 than one account, located within the geographical boundaries of
7 a local government or, for a campus, within the geographical
8 boundary of the city, county, or city and county in which the
9 campus is located, *or for a joint powers authority, within the*
10 *geographic boundaries of the group of public agencies that formed*
11 *the joint powers authority*, that is mutually agreed upon by the
12 local ~~government or campus~~ government, campus, or joint powers
13 authority and an electrical corporation.

14 (2) “Bill credit” means an amount of money credited to a
15 benefiting account that is calculated based upon the time-of-use
16 electricity generation component of the electricity usage charge
17 of the generating account, multiplied by the quantities of electricity
18 generated by an eligible renewable generating facility that are
19 exported to the grid during the corresponding time period.
20 Electricity is exported to the grid if it is generated by an eligible
21 renewable generating facility, is not utilized onsite by the local
22 government, and the electricity flows through the meter site and
23 on to the electrical corporation’s distribution or transmission
24 infrastructure.

25 (3) “Campus” means an individual community college campus,
26 individual California State University campus, or individual
27 University of California campus.

28 (4) “Eligible renewable generating facility” means a generation
29 facility that meets all of the following requirements:

30 (A) Has a generating capacity of no more than five megawatts.

31 (B) Is an eligible renewable energy resource, as defined in
32 Article 16 (commencing with Section 399.11) of Part 1.

(C) Is located within the geographical boundary of the local government or, for a campus, within the geographical boundary of the city or city and county, if the campus is located in an incorporated area, or county, if the campus is located in an unincorporated area.

(D) Is owned by, operated by, or on property under the control of the local government or campus.

(E) Is sized to offset all or part of the electrical load of the benefiting account. For these purposes, premises that are leased by a local government or campus are under the control of the local government or campus.

(5) “Generating account” means the time-of-use electric service account of the local government or campus where the eligible renewable generating facility is located.

(6) “Local government” means a city, county, whether general law or chartered, city and county, special district, school district, political subdivision, ~~or other local public agency, including or a joint powers authority,~~ *authority formed pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code)*, but shall not mean the ~~state or state~~, any agency or department of the state, other than an individual campus of the University of California or the California State ~~University~~. *University, or any joint powers authority that has as a member the federal government, any federal department or agency, this or another state, or any department or agency of this state or another state.*

(b) Subject to the limitation in subdivision (h), a local government may elect to receive electric service pursuant to this section if all of the following conditions are met:

(1) The local government designates one or more benefiting accounts to receive a bill credit.

(2) A benefiting account receives service under a time-of-use rate schedule.

(3) The benefiting account is the responsibility of, and serves property that is owned, operated, or on property under the control of the same local government that owns, operates, or controls the eligible renewable generating facility.

(4) The electrical output of the eligible renewable generating facility is metered for time of use to allow calculation of the bill credit based upon when the electricity is exported to the grid.

1 (5) All costs associated with the metering requirements of
2 paragraphs (2) and (4) are the responsibility of the local
3 government.

4 (6) All costs associated with interconnection are the
5 responsibility of the local government. For purposes of this
6 paragraph, “interconnection” has the same meaning as defined in
7 Section 2803, except that it applies to the interconnection of an
8 eligible renewable generating facility rather than the energy source
9 of a private energy producer.

10 (7) The local government does not sell electricity exported to
11 the electrical grid to a third party.

12 (8) All electricity exported to the grid by the local government
13 that is generated by the eligible renewable generating facility
14 becomes the property of the electrical corporation to which the
15 facility is interconnected, but shall not be counted toward the
16 electrical corporation’s total retail sales for purposes of Article 16
17 (commencing with Section 399.11) of Chapter 2.3 of Part 1.
18 Ownership of the renewable energy credits, as defined in Section
19 399.12, shall be the same as the ownership of the renewable energy
20 credits associated with electricity that is net metered pursuant to
21 Section 2827.

22 (9) An electrical corporation shall not be required to compensate
23 a local government for electricity generated from an eligible
24 renewable facility pursuant to this section in excess of the bill
25 credits applied to the designated benefiting account. A local
26 government renewable generation facility participating pursuant
27 to this section shall not be eligible for any other tariff or program
28 that requires an electrical corporation to purchase generation from
29 that facility while participating in the local government renewable
30 energy self-generation program pursuant to this section.

31 (c) (1) A benefiting account shall be billed for all electricity
32 usage, and for each bill component, at the rate schedule applicable
33 to the benefiting account, including any cost-responsibility
34 surcharge or other cost recovery mechanism, as determined by the
35 commission, to reimburse the Department of Water Resources for
36 purchases of electricity, pursuant to Division 27 (commencing
37 with Section 80000) of the Water Code.

38 (2) The bill shall then subtract the bill credit applicable to the
39 benefiting account. The generation component credited to the
40 benefiting account shall not include the cost-responsibility

1 surcharge or other cost recovery mechanism, as determined by the
2 commission, to reimburse the Department of Water Resources for
3 purchases of electricity, pursuant to Division 27 (commencing
4 with Section 80000) of the Water Code. The electrical corporation
5 shall ensure that the local government receives the full bill credit.

6 (3) If, during the billing cycle, the generation component of the
7 electricity usage charges exceeds the bill credit, the benefiting
8 account shall be billed for the difference.

9 (4) If, during the billing cycle, the bill credit applied pursuant
10 to paragraph (2) exceeds the generation component of the electricity
11 usage charges, the difference shall be carried forward as a financial
12 credit to the next billing cycle.

13 (5) After the electricity usage charge pursuant to paragraph (1)
14 and the credit pursuant to paragraph (2) are determined for the last
15 billing cycle of a 12-month period, any remaining credit resulting
16 from the application of this section shall be reset to zero.

17 (d) The commission shall ensure that the transfer of a bill credit
18 to a benefiting account does not result in a shifting of costs to
19 bundled service subscribers. The costs associated with the transfer
20 of a bill credit shall include all billing-related expenses.

21 (e) Not more frequently than once per year, and upon providing
22 the electrical corporation with a minimum of 60 days' notice, the
23 local government may elect to change a benefiting account. Any
24 credit resulting from the application of this section earned prior to
25 the change in a benefiting account that has not been used as of the
26 date of the change in the benefiting account shall be applied, and
27 may only be applied, to a benefiting account as changed.

28 (f) A local government shall provide the electrical corporation
29 to which the eligible renewable generating facility will be
30 interconnected with not less than 60 days' notice prior to the
31 eligible renewable generating facility becoming operational. The
32 electrical corporation shall file an advice letter with the commission
33 that complies with this section not later than 30 days after receipt
34 of the notice proposing a rate tariff for a benefiting account. The
35 commission, within 30 days of the date of filing, shall approve the
36 proposed tariff or specify conforming changes to be made by the
37 electrical corporation to be filed in a new advice letter.

38 (g) The local government may terminate its election pursuant
39 to subdivision (b), upon providing the electrical corporation with
40 a minimum of 60 days' notice. Should the local government sell

1 its interest in the eligible renewable generating facility, or sell the
2 electricity generated by the eligible renewable generating facility,
3 in a manner other than required by this section, upon the date of
4 either event, and the earliest date if both events occur, no further
5 bill credit pursuant to paragraph (3) of subdivision (b) may be
6 earned. Only credit earned prior to that date shall be made to a
7 benefiting account.

8 (h) An electrical corporation is not obligated to provide a bill
9 credit to a benefiting account that is not designated by a local
10 government prior to the point in time that the combined statewide
11 cumulative rated generating capacity of all eligible renewable
12 generating facilities within the service territories of the state's
13 three largest electrical corporations reaches 250 megawatts. Only
14 those eligible renewable generating facilities that are providing
15 bill credits to benefiting accounts pursuant to this section shall
16 count toward reaching this 250-megawatt limitation. Each electrical
17 corporation shall only be required to offer service or contracts
18 under this section until that electrical corporation reaches its
19 proportionate share of the 250-megawatt limitation based on the
20 ratio of its peak demand to the total statewide peak demand of all
21 electrical corporations.

22 (i) This chapter does not apply to an electrical corporation with
23 60,000 or fewer customer accounts.

24 ~~SEC. 3.~~

25 *SEC. 2.* No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of
31 the Government Code, or changes the definition of a crime within
32 the meaning of Section 6 of Article XIII B of the California
33 Constitution.